

WSDOT Ferries Division

Preliminary 2009 Tariff Proposal

Paula J. Hammond, P.E.
Secretary of Transportation

David L. Dye
Deputy Secretary

Steve Reinmuth
Chief of Staff

David Moseley
Assistant Secretary
Ferries Division

Ray Deardorf
Planning Director
Ferries Division

Washington State Transportation Commission
July 14, 2009



Presentation Overview

- Tariff 2009 Process and Roles
- Review of WSF Tariff Proposal
 - General fare increase
 - 5% tollbooth surcharge
 - In-Need Organization pilot program
 - Reservation deposits
 - Anacortes-Sidney fares
 - Vashon-Seattle passenger only fares
- Other
 - Hazardous materials charter rates
 - Report to Commission on discretionary discounts
- Additional Items for Consideration
 - TRE Implementation on San Juan Interisland Routes
 - Super Summer Surcharge
- Next Steps for Tariff Implementation

Tariff 2009 Process and Roles

- In the absence of a Tariff Policy Committee, 2009 is a bridge year to new tariff updating process.
- The following groups were involved in the development of the WSF 2009 Tariff Proposal:
 - **WSF Tariff Technical Committee.** WSF had primary responsibility for technical and policy analysis of fare options. An internal technical team informed this process and assessed feasibility and operating implications of potential changes to fare policy.
 - **WSTC Ferry Subcommittee.** WSF met with the WSTC Ferry Subcommittee twice during development of the fare proposal to discuss fare policy.
 - **FAC Executive Council.** The FAC Executive Council has a review role in this year's tariff process. They were briefed on May 7, and they will be presented with this draft WSF fare proposal on July 9 and given an opportunity to provide feedback.

2009 Draft Tariff Proposal

- 2.5% general fare increase with nickel rounding.
 - This is consistent with legislative guidance and meets the revenue goals included in the 2009-11 Transportation Budget.
- Remove WAC language that requires a 5% surcharge on multi-ride fare media purchased at tollbooths.
 - While never implemented, this surcharge was designed to encourage purchase options online and at kiosks to avoid backups and reduce cash sales at tollbooths.
 - Customers have been using alternative purchase options and cash sales have been reduced from over 60% to approximately 35%, making the surcharge unnecessary.
- Eliminate expiration date on In-Need Organizations program.
 - Initially designed as a pilot program, a small number of non-profit organizations currently participate in this program, which allows them to provide discounted single rides at the multi-ride fares to their constituents.
 - Make this a permanent program.

2009 Draft Tariff Proposal (cont.)

- Reservation deposits – change WAC language to allow for reservation deposits of up to 100% of the applicable fare.
 - Current policy requires a small deposit for Sidney reservations and no deposit for Port Townsend – Keystone reservations.
 - Make reservation deposit policy more consistent system-wide and minimize no shows.
 - Add a footnote to the WAC fare tables that allows for a reservation deposit of up to 100% of the applicable fare on routes with reservation systems (this is a deposit toward the fare, not a fee).
- Anacortes-Sidney Fares increase by 2.5%.
 - Historically, Anacortes-Sidney fares have been determined through a competitive market screen.
 - For 2009, increases on this route should be consistent with the general fare increase.
 - Any changes to fare policy on this route require a more comprehensive approach that considers legislative direction and clarification on non-resident departure fees.

2009 Draft Tariff Proposal (cont.)

- Eliminate Vashon-Seattle Passenger Only Ferry fares from the WAC.
 - Effective September 28, 2009, the King County Ferry District will assume operations of the Vashon-Seattle POF route.
 - The Ferry District will institute its own fare structure and fare collection mechanisms on October 1.
- Other
 - Update of Hazardous Materials Charter Rates
 - Report to Commission on discretionary discounted fares
 - Continuation of 10% discounts for frequent commercial charge account customers

2009 Draft Fare Proposal: Summary Table

CAR & DRIVER FARES		Full Fare		Multi Ride Media		Peak Season	
Route		Current	Proposed	Current	Proposed*	Current	Proposed*
Vashon Island (RT)		\$14.80	\$15.20	\$118.40	\$121.60	\$18.50	\$19.00
Mukilteo-Clinton (1-way)		\$6.85	\$7.00	\$109.60	\$112.00	\$8.60	\$8.75
Central Sound (1-way)		\$11.55	\$11.85	\$184.80	\$189.60	\$14.45	\$14.85
Fauntleroy-Southworth (1-way)		\$8.90	\$9.15	\$142.40	\$146.40	\$11.15	\$11.45
Keystone-Port Townsend (1-way)		\$8.90	\$9.15	\$142.40	\$146.40	\$11.15	\$11.45
<i>Early Week (Monday-Wednesday)</i>							
Anacortes- Lopez (RT)		\$23.95	\$24.55	\$99.75	\$102.20	\$32.35	\$33.15
Anacortes- Shaw, Orcas (RT)		\$28.75	\$29.45	\$119.65	\$122.65	\$38.85	\$39.80
Anacortes- Friday Harbor (RT)		\$34.15	\$35.05	\$142.15	\$145.90	\$46.15	\$47.35
<i>End of Week (Thursday-Sunday)</i>							
Anacortes- Lopez (RT)		\$26.60	\$27.25	\$99.75	\$102.20	\$35.95	\$36.80
Anacortes- Shaw, Orcas (RT)		\$31.90	\$32.70	\$119.65	\$122.65	\$43.10	\$44.15
Anacortes- Friday Harbor (RT)		\$37.90	\$38.90	\$142.15	\$145.90	\$51.20	\$52.55
San Juan Interisland (RT)		\$16.65	\$17.10	\$66.60	\$68.40	\$20.85	\$21.40
Anacortes- Sidney (1-way)		\$42.95	\$44.05	N/A	N/A	\$53.70	\$55.10

PASSENGER FARES		Full Fare		Multi Ride Media		Passes	
Route		Current	Proposed	Current	Proposed*	Current	Proposed*
Vashon Island (RT)		\$4.30	\$4.45	\$34.40	\$35.60	\$55.05	\$57.00
Mukilteo-Clinton (RT)		\$3.95	\$4.10	\$31.60	\$32.80	\$50.60	\$52.50
Central Sound (RT)		\$6.70	\$6.90	\$53.60	\$55.20	\$85.80	\$88.35
Fauntleroy-Southworth (RT)		\$5.20	\$5.30	\$41.60	\$42.40	\$66.60	\$67.85
Keystone-Port Townsend (1-way)		\$2.60	\$2.65	\$41.60	\$42.40	\$66.60	\$67.85
<i>Early Week (Monday-Wednesday)</i>						Peak Season FF	
Anacortes- Lopez (RT)		\$9.85	\$10.10	\$71.20	\$72.80	\$11.85	\$12.15
Anacortes- Shaw, Orcas (RT)		\$9.85	\$10.10	\$71.20	\$72.80	\$11.85	\$12.15
Anacortes- Friday Harbor (RT)		\$9.85	\$10.10	\$71.20	\$72.80	\$11.85	\$12.15
<i>End of Week (Thursday-Sunday)</i>							
Anacortes- Lopez (RT)		\$10.95	\$11.20	\$71.20	\$72.80	\$13.15	\$13.45
Anacortes- Shaw, Orcas (RT)		\$10.95	\$11.20	\$71.20	\$72.80	\$13.15	\$13.45
Anacortes- Friday Harbor (RT)		\$10.95	\$11.20	\$71.20	\$72.80	\$13.15	\$13.45
San Juan Interisland (RT)		N/C	N/C	N/C	N/C	N/C	N/C
Anacortes- Sidney (1-way)		\$16.00	\$16.40	N/A	N/A	\$16.00	\$16.40

WSTC Ferry Subcommittee Items

Although not included in WSF's fare proposal, the WSTC Ferry Subcommittee requested analysis of two additional fare options

- **Tariff Route Equity (TRE) Updates**

- The San Juan interisland route is the only remaining route in the system that has not yet been brought into compliance with TRE.
- To achieve TRE, this route would require fare increases above the general increase for at least two additional tariff cycles.

- **Super Summer Surcharge**

- This policy would introduce another, higher level of seasonal surcharges into the system for July 1 through Labor Day, when ridership is at its highest.
- As with the existing summer surcharge, frequent users would be exempt from the super summer surcharge.
- This policy was analyzed as part of the Long Term Ferry Funding Study.

TRE Implementation

- To achieve Tariff Route Equity (TRE), the following table shows two options for additional fare increases on the San Juan interisland route, at 2.5% and 5% above the general fare increase.
- The TRE ratio is the policy relationship between the Seattle-Bainbridge fare and the fare for other routes, based on relative travel times.

Full Car & Driver Fare (Round-Trip)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Base Interisland Fare (2.5% Annual Increase)	\$ 16.65	\$ 17.10	\$ 17.55	\$ 18.00	\$ 18.45
<i>TRE ratio</i>	<i>0.72</i>	<i>0.72</i>	<i>0.72</i>	<i>0.72</i>	<i>0.72</i>
Base Interisland Fare (2.5% + 2.5%)	\$ 16.65	\$ 17.50	\$ 18.40	\$ 19.21	\$ 19.71
<i>TRE ratio</i>	<i>0.72</i>	<i>0.74</i>	<i>0.76</i>	<i>0.77</i>	<i>0.77</i>
<i>% Increase</i>		<i>5.1%</i>	<i>5.1%</i>	<i>4.4%</i>	<i>2.6%</i>
Base Interisland Fare (2.5% + 5.0%)	\$ 16.65	\$ 17.90	\$ 18.75	\$ 19.21	\$ 19.71
<i>TRE ratio</i>	<i>0.72</i>	<i>0.76</i>	<i>0.77</i>	<i>0.77</i>	<i>0.77</i>
<i>% Increase</i>		<i>7.5%</i>	<i>4.7%</i>	<i>2.5%</i>	<i>2.6%</i>



Indicates when desired TRE Factor is achieved

Super Summer Surcharge

- A super summer surcharge would introduce another, higher level of seasonal surcharges into the system for July 1 through Labor Day, when ridership is at its highest.
- As with the existing summer surcharge, frequent users would be exempt from the super summer surcharge – it targets recreational riders.
- The following table shows two super summer surcharge scenarios – one at 5% and 10% above the existing summer surcharge

	Current Summer% Full Fare FY 2009%	Assuming 2.5% base fare increase%	With 5% Super% Summer Surcharge%	With 10% Super% Summer Surcharge%
Central Sound Car & Driver u				
Full July/August Fare u	\$14.45u	\$14.85u	\$15.45u	\$16.00u
Anacortes - Friday Harbor u				
Full July/August Fare (end of u week) u	\$51.20u	\$52.55u	\$54.40u	\$56.35u
Estimated Systemwide Ridership u	23,531,093u	23,395,579u	23,388,942u	23,378,438u
Vehicle u	10,535,656u	10,519,881u	10,506,543u	10,491,011u
Passenger u	12,995,437u	12,875,698u	12,882,399u	12,887,428u
% Change from Current	0%	-0.58%	-0.60%	-0.65%
Estimated Systemwide Revenue u	\$147,957,450u	\$151,230,113u	\$151,827,616u	\$152,354,245u
Increase/(Decrease) in Revenue u			\$597,503u	\$1,124,132u
% Change from Current	0%	2.2%	2.6%	3.0%

Next Steps

- **July 14/15:** Commission determines final fare proposal and files CR-102 with its recommended fare proposal
- **TBD (late July – early September):** Commission-led public outreach
- **September 8, 2009:** Commission Public Hearing on Proposal
- **No later than September 10, 2009:** Commission files CR-103 with final fare schedule
- **October 11, 2009:** Implement Tariff 2009

Questions?

For more information on the WSDOT Ferries Division
Preliminary 2009 Tariff Proposal, please contact:

David Moseley, Assistant Secretary, Washington State Ferries, at
(206) 515-3401, or MoseleD@wsdot.wa.gov.